



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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J. TYLER McCAULEY
AUDITOR-CONTROLLER

April 5, 2001

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **FINANCIAL/COMPLIANCE AUDITS OF B&H REVENUE AGREEMENTS**

The Department of Beaches and Harbors (B&H) requested financial/compliance audits of their revenue agreements with certain private and public beach and harbor contractors. We contracted with Simpson & Simpson, CPA's, to perform audits of the contractual gross receipts for Fiscal Year 1998-99. Simpson & Simpson's audit reports provide assurance that the contractors properly reported gross receipts and paid the correct rentals due to the County.

Simpson & Simpson discussed their findings with B&H and the contractors. Their findings disclosed that, of the 24 contractors audited, 13 owed additional rents totaling \$90,144 and ten were entitled to credits totaling \$135,791 for a net credit of \$45,647 (see Attachment). B&H has been working with the contractors and has collected all amounts owed and applied credits to contractors where applicable.

Because of the number of contractor reports, copies of individual reports are not enclosed. If you would like to review any of the reports, please let me know.

JTM:JEM:MP
516 WO Brd Letter.doc

Attachment

c: David E. Janssen, CAO
Stan Wisniewski, Director, B&H
Audit Committee

Department of Beaches and Harbors
Financial/Compliance Audits of Revenue Agreements
Schedule of Findings Fiscal Year 1998-99

<u>Parcel/ Concession</u>	<u>Contractor</u>	<u>Amount Due (Credit)</u>
100S	Del Rey Shores	\$ (3,127)
101S	Del Rey Shores	(36)
104R	Del Rey Shores	14,356
7	Tahiti Harbor, Ltd.	1,946
134R	Commodore Club, Inc.	2,375
131S	Commodore Club, Inc.	1,239
51S	Tosco Corporation	(19,061)
61	Del Rey Restaurant Corp.	(398)
133	Commodore Club, Inc.	3,760
132	California Yacht Club	(2,934)
64T	Jackbuilt, Inc.	3,716
102S	Kingswood Village Marina	1,483
13R	Villa del Mar Properties	(25,527)
28W	Mariner's Bay Company	(34,804)
1	Tosco Corporation	(6,052)
55	Union Oil Co.	818
8T	T/W Marina Apts.	25,620
44U	Pacific Marina Venture, LLC	26,572
77W	Pacific Marina Venture, LLC	-
56S	Gold Coast Village, LLC	(18,183)
95S	Gold Coast West, LLC	(25,669)
97R	Gold Coast Shopping Center, LLC	6,007
140V	Gold Coast Apartments, LLC	160
Will Rogers	Sea View Restaurant	<u>2,092</u>
Total		\$ (45,647)